



News from the
Committee on Natural Resources
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UNEARTHING A RELIC: FACTS ABOUT THE 1872 MINING LAW
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The General Mining Law of 1872 is an antiquated statute that allows mining companies to take valuable hardrock minerals, such as gold, silver, and uranium, from public lands without royalty payment to the taxpayer – unlike other mining industries that extract coal, oil or natural gas from federal lands. Signed into law by President Ulysses S. Grant, the law not only gives away public minerals, but it also offers public land for sale at \$2.50-5 an acre – 1872 prices.

The Mining Law of 1872 was originally intended to promote settlement and mineral development in the West. Today, both the mining industry and the West have changed dramatically. Western cities grew an average of 19% in the 1990s and did not require incentives to increase their populations.

And, the hardrock mining industry is a far cry from the lone prospector with pick axe of the 19th century. Mine sites and waste ponds occupy many thousands of acres and multinational corporations use giant machines and cyanide to remove ore from the earth. Currently, the price of gold is at a record high of \$690 per ounce – compared to 1872 prices of \$19 per ounce. However, the Mining Law remains unchanged.

There are many reasons the 1872 Mining Law should be brought into the 21st century; including:

- ***It is time to provide a fair return to the American taxpayer.*** Since the 1872 Mining Law's enactment, it is estimated that the U.S. government has given away more than \$245 billion of mineral reserves through patenting or royalty-free mining. By comparison, the coal, oil, and gas industries paid \$35 billion into the federal treasury between 1994 and 2001 alone. In addition, the taxpayer bears the cost of cleanup of polluting, abandoned operations – which according to the Interior Department's Inspector General may cost the taxpayer more than \$32 billion to remediate.
- ***It is time to address the environmental costs of hardrock mining.*** The 1872 Mining Law contains no specific requirements for protection of natural resources such as water quality, quantity, or wildlife. Yet hardrock mines – active and abandoned – can emit a toxic soup of pollutants like cyanide, lead, arsenic, mercury, and uranium into surface and groundwater. Today, 40% of the headwaters of western waterways are polluted by mining. An increasing number of mines sites will require water treatment in perpetuity. Government regulators have determined that the Zortman-Landusky Mine, located near the Fort Belknap reservation in Montana, will continue to generate acid mine drainage for thousands of years and the state of Montana will spend tens of millions in public funds for long-term water treatment.

- ***It is time to bring some certainty to which areas will be open to mining and which special places will be off limits to mining.*** The Mining Law provides no consideration for other important resource values on federal lands that could be irreparably or unduly degraded by a mining operation – sites sacred to Native Americans, lands suitable for wilderness designation, or lands proposed as roadless areas.
- ***It is time to protect communities and public health.*** Communities may gain jobs when mines are booming, but after the bust, they are left with staggering costs. The 1872 Mining Law does not require reclamation and financial assurance or bonds are often inadequate for the clean up. According to the EPA, there are more than 500,000 abandoned hardrock mines in the U.S. that will require the federal government to spend approximately \$32 billion in cleanup costs.

The Hardrock Mining and Reclamation Act of 2007 will prohibit the continued giveaway of public lands. It will require that a royalty be paid on the production of valuable minerals extracted from federal lands. And, it will require industry to comply with some basic reclamation standards.

Summary of the Hardrock Mining and Reclamation Act of 2007

Title I

- Eliminates issuance of patents for vein, lode, placer, and mill site claims unless certain administrative requirements are met.
- Imposes an 8% of net smelter return royalty on the production of hardrock minerals from any claim under the Act.

Title II

- Identifies categories of federal lands that will not be open to hardrock mining.

Title III

- Establishes an overall environmental standard that requires mineral activities on Federal lands be conducted in a manner that does not unduly degrade the environment.
- Prescribes surface management guidelines for the granting of permits.
- Requires applications for such permits to contain both an operations plan and a reclamation plan, and evidence of financial assurances.
- Limits an operations permit to a ten-year term (subject to renewal).
- Declares persons in violation of this Act ineligible for permits.

- Mandates that lands subject to mineral activities be restored to a condition capable of supporting their prior uses, or to other beneficial uses which conform to applicable land use plans.
- Declares that State standards for reclamation, bonding, inspection, and water or air quality which either meet or exceed Federal standards shall not be construed as inconsistent with this Act.
- Permits cooperative agreements between the States and the Secretary to govern surface management activities.

Title IV

- Establishes a fund to reclaim and restore land and water resources adversely affected by past mineral activities on certain public lands, funded by the fees and royalties noted above.
- Establishes a fund to provide impact assistance to mining communities.

Title V

- Authorizes the Secretaries to establish and collect user fees to reimburse the United States for expenses incurred in administering this Act.
- Prescribes procedural guidelines for public participation requirements.
- Sets forth inspection and enforcement requirements.
- Authorizes citizen suits to enforce compliance.
- Prescribes procedural guidelines for administrative and judicial review of agency actions.
- Sets forth enforcement guidelines and civil and criminal penalties for non-compliance